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FINANCIAL PERFORMANCE MEDIATES THE INFLUENCE OF COMPANY SIZE, LEVERAGE AND BOARD OF COMMISSIONERS SIZE ON CORPORATE SOCIAL RESPONSIBILITY

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Keywords :
csr, size, leverage, udk, roa

Abstract

This study aims to examine the effect of firm size, leverage, and board size on corporate social responsibility (CSR) with financial performance (ROA) as an intervening variable in mining companies in Indonesia. The sample of this research is mining companies listed on the Indonesia Stock Exchange for the 2015-2019 period. The data analysis method used is multiple regression analysis and path analysis. The results showed that (1) firm size had a significant effect on ROA, (2) leverage had no effect on ROA. (3) the size of the board of commissioners has no effect on ROA, (4) the size of the company has no effect on CSR, (5) leverage has a significant effect on CSR, (6) the size of the board of commissioners has no effect on CSR, (7) ROA has a significant effect on CSR

I. INTRODUCTION

The rapid development of accounting and intense competition has caused accounting reporting to be only used as a means of management accountability to the owners of capital, the company's orientation only focuses on the interests of the owners of capital. The company's alignment with capital owners who focus on material profits, causes excessive exploitation of natural resources and human resources and has an impact on environmental damage which ultimately disrupts human life.(Retno Anggraini, nd).

Corporate Social Responsibility(CSR) is the answer to the initiative that business is not only for the benefit of shareholders but also stakeholders consisting of consumers, employees, suppliers, government and the surrounding community. So companies need to carry out social responsibility to the surrounding environment to maintain a balance between profit, environmental sustainability and humanity. The Global Compact

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Initiative calls this understanding the 3Ps or known as the “triple bottom line” (people, profit, planet). Even though the business goal is profit, the company must be able to prosper all people (people) and preserve the earth (planet). Article 74 of the Limited Liability Company Law No. 40 of 2007 requires companies conducting business activities in the field of/related to natural resources to carry out social and environmental responsibilities.

Financial performance is an important factor to see the condition of the company as a whole, this can be seen from the quality of assets, risk on debt, capital structure, company liquidity and so on. Many indicators to see the company's financial performance include profitability, return on investment, wealth structure, and cash flow. Disclosure of environmental management compliance information to stakeholders and the public is very necessary, so that companies can help achieve stakeholder welfare and achieve maximum corporate value. This is because companies that disclose CSR are considered to care about the environment by investors. Financial performance is one of the variables that affect the company's CSR disclosure. The results of previous research by(Puti Tri Kartini et al., 2019)resulted in the conclusion that return on assets which is one of the indicators of financial performance has a significant effect on CSR disclosure. Other research conducted by(Koloay et al., 2018)shows different results that financial performance as measured by ROA, ROE and NPM partially does not significantly affect CSR disclosure.

Companies with high risk will try to convince creditors with more detailed disclosures, high leverage shows the company relies on external loans to finance its investments and assets. Debt holders are very interested in knowing the company's performance because it is related to loan risk, therefore companies with high leverage have an obligation to disclose CSR compared to companies with low leverage, but there is a tendency for the management of companies with high levels of leverage to reduce disclosure of social responsibility. made so as not to be in the spotlight of debtholders (Nur & Priantinah, 2012). Several studies on the relationship between leverage and CSR disclosure show inconsistent results. (Ruroh & Latifah,

The board of commissioners is a representative of the shareholders who oversees corporate governance carried out by management (directors), the board of commissioners determines whether the company carries out its responsibilities in developing and implementing the company's internal control, as well as monitoring and providing input so that the company runs good governance. The authority of the board of commissioners is able to motivate management to implement and disclose the implementation of CSR in the company's financial statements. The larger the size of the board of commissioners, the supervision of the implementation of CSR and CSR disclosure becomes more stringent so that it will affect the extent of the company's CSR disclosures in the financial statements. Previous research on the relationship between the size of the board of commissioners and CSR found different results. Research (Nur &(Riduan Abdillah et al., 2020) that in plastic and packaging companies listed on the IDX for the period 2013-2018 the size of the board of commissioners has a significant effect on CSR disclosure.Different results were found in a study conducted by(Chen, 2019)which concludes that the size of the board of commissioners has no effect on the extent of CSR disclosure.

Mining companies are one of the business sectors that manage natural resources, the impact of uncontrolled natural resource management is environmental damage which ultimately disrupts the social life of the surrounding community. So the researchers chose the mining company sector to examine how the company's financial performance mediates the effect of company size, leverage and board of commissioners size on corporate social responsibility in mining companies listed on the IDX.

Based on the background and inconsistent results of previous studies, the researchers are interested in re-examining the effect of firm size, leverage and board of commissioners size on CSR promotion with financial performance as an intervening variable. The update of this study compared to previous research is to include financial performance as a mediating relationship between the independent variables of firm size, leverage and the size of the board of commissioners with the dependent variable, namely CSR disclosure.

II.RESEARCH METHODS

Population and Sample

The population used in this study are mining sector companies listed on the Indonesia Stock Exchange (IDX) in 2015-2019. There are 41 mining companies. Sampling was carried out using a non-probability sampling technique with purposive sampling method, namely sampling with certain criteria. The sample criteria in this study are as follows:

a. The registered mining sector company PT. Indonesia Stock Exchange 2015-2019 period (5 Years)
b. Mining sector companies that have published an annual report for the 2015-2019 period.
c. Mining sector companies that have financial statements in rupiah currency and have been audited by a Public Accounting Firm. d. The company discloses the data required in the research in full during the 2015-2019 period.

By looking at the criteria of the purposive sampling method, a sample of 14 mining companies was obtained.

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Variable Operations

CSR Disclosure

CSR according to Lord Holmes and Richard Watt, in Nor Hadi(Hadi, 2011)“CSR is an ongoing commitment by a company that runs ethically and contributes to development to improve the quality of life of the workforce and their families, as well as of the local community and society at large”.

The real form of the company in applying the principle of responsibility to stakeholders by disclosing corporate social responsibility actions through a sustainability report.

CSR disclosure is measured using content analysis tools sourced from secondary data, namely using a check list that refers to the Global Reporting Initiative (GRI). G3.1 GRI focuses on the disclosure of social and environmental responsibilities in 3 areas, namely: (1) economic performance indicators; (2) environmental performance indicators; and (3) social performance indicators (labor practices and work comfort, human rights, society, and product responsibility).

$$CSRI_x = \frac{\sum SP_x}{SPM_x}$$

CSRIx: The broad index of CSR disclosure of company x.
SPx: Corporate CSR Disclosure Score x
SPMx: Maximum Score of Corporate CSR Disclosures x.

Company Size

Company size is the level of identification of the size of a company that can be assessed from the total asset value, total sales, market capitalization, number of workers and so on.(Puti Tri Kartini et al., 2019). In this study, researchers used total assets as the measurement scale.

SIZE = Log (book value of total assets)

Leverage

According to(Cashmere, 2014), leverage is a ratio used to measure the extent to which the company's assets are financed with debt. In the sense of how much debt is borne by the company compared to its assets.

$$LVRG = \frac{\text{Total Utang}}{\text{Total Aset}}$$

Size of the Board of Commissioners (UDK)

The board of commissioners is an internal control mechanism that places several shareholder representatives to oversee the running of the company and provide advice and advice to management in carrying out their responsibilities. The size of the board of commissioners is the number of members of the board of commissioners of a company(Chen, 2019).

Financial Performance / Return On Assets (ROA)

According to Sucipto(Sucipto, 2003),financial performance is a management achievement, in this case financial management in achieving the company's goals,

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namely generating profits and increasing company value. This study uses return on assets to measure financial performance

Return on Assets(ROA), is the ratio between net income to total assets

$$ROA = \frac{\text{Laba Bersih}}{\text{Total Aset}}$$

Data analysis method

The method used is multiple linear regression analysis with a significance level of 5% (0.05). The method is carried out by determining the appropriate panel data regression model, classical assumption test, hypothesis testing and drawing conclusions.

Descriptive statistics

Descriptive statistics function to describe the object under study through sample or population data as it is based on the minimum value, maximum value, mean, and standard deviation, without analyzing and making generally accepted conclusions from the data. This test was conducted to make it easier to understand the variables used in the study.

Panel Data Regression Model

Regression estimation model with panel data can be done with three approaches(Rohmana, 2010), namely the Common Effect Model, Fixed Effect Model and Random Effect Model.

Path Analysis

To be able to analyze how much a causal variable affects the effect variable, the data analysis used is path analysis. The path diagram is a complete structure of the causal relationship between variables, which consists of substructure relationships that resemble the regression structure.

Hypothesis testing

Hypothesis is a temporary answer to the formulation of the problem stated in a sentence based on relevant theories(Sugiyono, 2017). Hypotheses must be tested with available data and facts. The partial hypothesis test (t statistical test) was conducted to test the significance level of the effect of each independent variable on the dependent variable in parallel (separately) with a significance level of 0.05.

H_1: Company size (*size*) has a significant effect on financial performance (ROA)

H: *Leverage*significant effect on financial performance (ROA)

H_3: The size of the board of commissioners (UDK) has a significant effect on financial performance (ROA)

H_4: Firm size (Size) has a significant effect on CSR disclosure

H: *Leverage*significant effect on CSR disclosure

H_6: The size of the board of commissioners (UDK) has a significant effect on CSR disclosure

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H_7: Financial performance (ROA) has a significant effect on CSR disclosure

H_8: Financial performance (ROA) can mediate the relationship of firm size (*size*) with CSR disclosure

H_9: Financial performance (ROA) can mediate the relationship *leverage*with CSR

H_{10}: Financial performance (ROA) can mediate the relationship between board size and CSR disclosure

DISCUSSION AND RESULTS

Descriptive statistics

Table 1. Descriptive statistics

Date: 08/23/20 Time: 15:02
Sample: 2015 2019

	CSR	SIZE	LEVERAGE	UDK	ROA
Mean	0.682667	6.556800	0.485733	4.120000	0.011733
Median	0.650000	6.510000	0.450000	4.000000	0.012000
Maximum	1.000000	7.940000	1.070000	7.000000	0.212000
Minimum	0.450000	5.100000	0.020000	2.000000	-0.455000
Std. Dev.	0.167424	0.755934	0.210297	1.533059	0.096034
Skewness	0.418788	-0.120441	0.154921	0.182216	-1.944942
Kurtosis	1.923443	2.223623	3.501024	1.797117	11.86433
Jarque-Bera	5.814094	2.064952	1.084460	4.936680	292.8362
Probability	0.054637	0.356124	0.581450	0.084725	0.000000
Sum	51.20000	491.7600	36.43000	309.0000	0.880000
Sum Sq. Dev.	2.074267	42.28623	3.272635	173.9200	0.682471
Observations	75	75	75	75	75

Based on Table 1, the results of the analysis using descriptive statistics on firm size (Size) show a minimum value of 5.10, a maximum value of 7.94 with an average of 6.5568 and a standard deviation of 0.755934. The results of the analysis of leverage calculated by the comparison between total debt and total assets show a minimum value of 0.02, a maximum value of 1.07 with an average of 0.485733 and a standard deviation of 0.210297. The results of the analysis of the size of the board of commissioners (UDK) calculated by the total number of commissioners showed a minimum value of 2.0, a maximum value of 7.0 with an average of 4.12 and a standard deviation of 1.533059. The results of the analysis of financial performance which is calculated using the profitability value of Return on assets (ROA) shows a minimum value of -0.455, a maximum value of 0, 212 with an average of 0.011733 and a standard deviation of 0.096034. The results of the disclosure of corporate social responsibility (CSRI) which are calculated using the total score of the maximum value of CSR disclosure divided by the score of CSR disclosure show a minimum value of 0.45, a maximum value of 1.0 with an average of 0.682667 and a standard deviation of 0.167424. Variables Size, Leverage, UDK and CSR have an average value greater than the standard deviation value. This indicates that the data quality of the variable is good because the average

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value is greater than the standard deviation value, indicating that the standard error of the variable is small. While the ROA variable has an average value that is smaller than the standard deviation value, so it can be identified that the standard error of the variable is large. 011733 and the standard deviation is 0.096034. The results of the disclosure of corporate social responsibility (CSRI) which are calculated using the total score of the maximum value of CSR disclosure divided by the score of CSR disclosure show a minimum value of 0.45, a maximum value of 1.0 with an average of 0.682667 and a standard deviation of 0.167424. Variables Size, Leverage, UDK and CSR have an average value greater than the standard deviation value. This indicates that the data quality of the variable is good because the average value is greater than the standard deviation value, indicating that the standard error of the variable is small. While the ROA variable has an average value that is smaller than the standard deviation value, so it can be identified that the standard error of the variable is large. 011733 and the standard deviation is 0.096034. The results of the disclosure of corporate social responsibility (CSRI) which are calculated using the total score of the maximum value of CSR disclosure divided by the score of CSR disclosure show a minimum value of 0.45, a maximum value of 1.0 with an average of 0.682667 and a standard deviation of 0.167424. Variables Size, Leverage, UDK and CSR have an average value greater than the standard deviation value. This indicates that the data quality of the variable is good because the average value is greater than the standard deviation value, indicating that the standard error of the variable is small. While the ROA variable has an average value that is smaller than the standard deviation value, so it can be identified that the standard error of the variable is large. The results of the disclosure of corporate social responsibility (CSRI) which are calculated using the total score of the maximum value of CSR disclosure divided by the score of CSR disclosure show a minimum value of 0.45, a maximum value of 1.0 with an average of 0.682667 and a standard deviation of 0.167424. Variables Size, Leverage, UDK and CSR have an average value greater than the standard deviation value. This indicates that the data quality of the variable is good because the average value is greater than the standard deviation value, indicating that the standard error of the variable is small. While the ROA variable has an average value that is smaller than the standard deviation value, so it can be identified that the standard error of the variable is large. The results of the disclosure of corporate social responsibility (CSRI) which are calculated using the total score of the maximum value of CSR disclosure divided by the score of CSR disclosure show a minimum value of 0.45, a maximum value of 1.0 with an average of 0.682667 and a standard deviation of 0.167424. Variables Size, Leverage, UDK and CSR have an average value greater than the standard deviation value. This indicates that the data quality of the variable is good because the average value is greater than the standard deviation value, indicating that the standard error of the variable is small. While the ROA variable has an average value

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that is smaller than the standard deviation value, so it can be identified that the standard error of the variable is large.

Multiple Regression Analysis

1. **Results of Multiple Regression Analysis of Structure 1**

Table 2. Structured Multiple Regression Analysis 1

Dependent Variable: ROA
Method: Panel Least Squares
Date: 08/23/20 Time: 22:08
Sample: 2015 2019
Periods included: 5
Cross-sections included: 15
Total panel (balanced) observations: 75

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.314712	0.104058	-3.024400	0.0035
SIZE	0.042591	0.019047	2.236114	0.0285
LEVERAGE	0.014193	0.050661	0.280152	0.7802
UDK	0.009779	0.009759	1.002111	0.3197

R-squared	0.218676	Mean dependent var	0.011733
Adjusted R-squared	0.185662	S.D. dependent var	0.096034
S.E. of regression	0.086662	Akaike info criterion	-2.001745
Sum squared resid	0.533231	Schwarz criterion	-1.878146
Log likelihood	79.06544	Hannan-Quinn criter.	-1.952393
F-statistic	6.623782	Durbin-Watson stat	1.266196
Prob(F-statistic)	0.000522		

I Structure Multiple Regression Equation
ROA = -0.314712 + 0.042591 SIZE + 0.014193 LEVERAGE + 0.009779 UDK

2. **Result of Multiple Regression Analysis of Structure 2**

Table 3. Structured Multiple Regression Analysis 2

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Dependent Variable: LOGCSR
Method: Panel Least Squares
Date: 08/26/20 Time: 07:21
Sample: 2015 2019
Periods included: 5
Cross-sections included: 12
Total panel (unbalanced) observations: 48

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.595264	0.400336	1.486912	0.1443
SIZE	-0.092819	0.060759	-1.527654	0.1339
LEVERAGE	-0.566784	0.169113	-3.351504	0.0017
UDK	0.053726	0.028121	1.910527	0.0627
LOGROA	0.981109	0.028219	34.76801	0.0000

R-squared	0.970428	Mean dependent var	-3.499634
Adjusted R-squared	0.967677	S.D. dependent var	1.123928
S.E. of regression	0.202065	Akaike info criterion	-0.262120
Sum squared resid	1.755704	Schwarz criterion	-0.067204
Log likelihood	11.29089	Hannan-Quinn criter.	-0.188461
F-statistic	352.7729	Durbin-Watson stat	2.724184
Prob(F-statistic)	0.000000		

The resulting regression equation is as follows:
CSR = 0.595264 – 0.092819 SIZE – 0.566784 LEVERAGE + 0.053726 UDK + 0.981109 ROA

Path Analysis

Variabel independen (X) Variabel intervening (Y1) Variabel dependen (Y2)

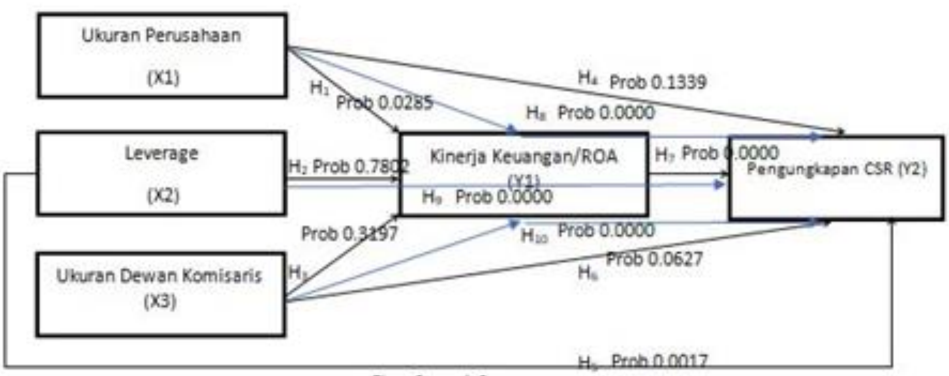

Image 1. Path Analysis

Discussion of Test Results

1. **Effect of Firm Size (size) on Financial Performance (ROA)**
   Variable Size shows a positive regression coefficient of 0.042591. The probability shows a value smaller than 0.05, which is 0.0285. This means that the significance level is smaller than = 5%, so that the 1st hypothesis is

successfully supported or H0 is rejected. This study succeeded in proving that firm size has a significant effect on financial performance (ROA). The results of this study support the research(Adestian, 2015)which states that the assets owned by the company describe the rights and obligations as well as the company's capital, so that with large capital, it is possible for the company to work well and the company's performance to increase. The results of this study indicate that the company's asset management is very effective, increasing the value of the company's assets will increase the company's performance as measured by return on assets (ROA).

2. **Effect of leverage on financial performance (ROA)**

   The leverage variable shows a positive regression coefficient of 0.014193, the probability shows a value greater than 0.05, which is 0.7802. This means that the significance level is greater than = 5%, so the second hypothesis is not successfully supported or H_2 is rejected.This study failed to prove that leverage has an effect on financial performance (ROA). This shows that the company's debt does not guarantee that it will generate profits for a company, this is because mining companies use loans from outside (foreign capital) so that in addition to the principal debt they are also subject to loan interest, high interest expenses can reduce company profits. This research supports research(Erawati & Wahyuni, 2019)which concludes that leverage has no effect on financial performance, but research is not in line with research(Ruroh & Latifah, 2018)who found that leverage has a positive and significant relationship to financial performance

3. **The effect of the size of the board of commissioners (UDK) on financial performance (ROA)**

   The UDK variable shows a positive regression coefficient of 0.009779. The probability shows a value greater than 0.05, which is 0.3197. This means that the significance level is greater than = 5%, so the third hypothesis (H3) is rejected. The results of this study do not support research from(Adestian, 2015), the results of his research found that the size of the board of commissioners has an effect on financial performance (ROA).

4. **The effect of firm size (Size) on CSR disclosure**

   Firm size variable (size) shows a negative regression coefficient of -0.092819. The probability shows a value greater than 0.05, which is 0.1339. This means that the significance level is greater than = 5%, so the 4th hypothesis is not successfully supported or H_4 is rejected. It can be concluded that the larger the size of the company with an increasing total number of mining company assets does not require a large amount of responsibility for the disclosure of social actions to the environment, surrounding communities, labor and so on, on the contrary, the increasing size of the company actually decreases CSR disclosure,

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although not significantly. . The results of this study support research(Puti Tri Kartini et al., 2019)who found that firm size had no effect on*corporate social responsibility disclosure*.This result is different from the research(Ruroh & Latifah, 2018)who concluded that firm size had an effect on*corporate social responsibility*

5. **The effect of leverage on CSR disclosure**

   The leverage variable shows a negative regression coefficient of -0.566784, the probability shows a value smaller than 0.05, which is 0.0017. This means that the significance level is smaller than = 5%, so the 5th hypothesis is successfully supported or H_5 is accepted. This study succeeded in proving that leverage has a significant effect on CSR leverage. The high and low level of corporate leverage affects the disclosure of corporate social responsibility negatively and significantly, meaning that the higher the debt to equity ratio, the lower the company's CSR disclosure. This is because the high level of leverage, the more likely it is to violate the credit agreement so that the company will try to report higher current earnings, so that reported earnings are high, management must reduce costs including costs for disclosing CSR. The results of this study support the agency theory where the level of leverage has a negative influence on the disclosure of social responsibility. The results of this study are in line with research(Nur & Priantinah, 2012). The results of the study do not support the research conducted by(Purnamasari & Masyithoh, 2016)who found that in food and beverage companies in 2011-2015 leverage had no significant effect on CSR disclosure

6. **The effect of the size of the board of commissioners (UDK) on CSR disclosure**

   The variable size of the board of commissioners (UDK) shows a positive regression coefficient of 0.053726, the probability shows a value greater than 0.05, namely 0.0627. This means that the significance level is greater than = 5%, so the 6th hypothesis is not successfully supported or H_6 is rejected. The results of this study indicate that the greater the number of members of the board of commissioners in a company, it does not affect the disclosure of corporate social responsibility. A positive regression coefficient value indicates that the more members of the board of commissioners, the wider the spread of CSR, but not significantly. The results of this study do not support the research of Nur and Priantinah (2012) who found that the size of the board of commissioners has a significant negative effect on CSR disclosure.(Coller & Gregory, 1999)which states that the greater the number of members of the board of commissioners, the easier it will be to control the CEO and the more effective monitoring will be.

7. **Effect of financial performance (ROA) on CSR disclosure**

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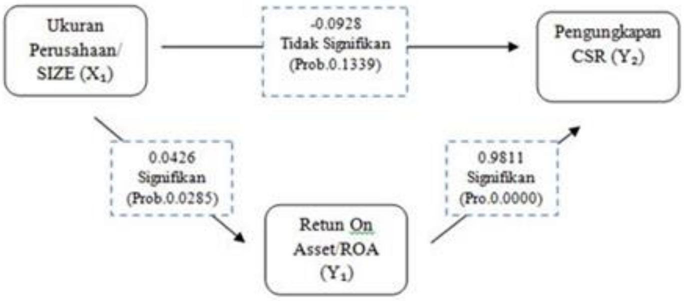
The ROA variable shows a positive regression coefficient of 0.981109. The probability shows a value smaller than 0.05, which is 0.0000. This means that the significance level is smaller than = 5%, so the 7th hypothesis is successfully supported or H_7 is accepted. This study proves that the size of profitability affects the level of CSR disclosure positively and significantly. The results of this study support research(Puti Tri Kartini et al., 2019)which states that ROA has a positive and significant effect on CSR disclosure, the higher the return on assets (ROA), the wider the corporate social responsibility disclosure or vice versa.

8. **The effect of firm size (Size) on CSR disclosure with financial performance (ROA) as an intervening variable**

Figure 2. The relationship between firm size, return on assets and CSR disclosure



The results of the partial t test indicate that the firm size variable does not have a direct relationship with the dependent variable of CSR disclosure, this can be seen from the significance value of 0.1339 (greater than 0.05) meaning that H_4 is rejected. Firm size has a positive and significant effect on ROA, it can be seen in the prob.0.0285 value smaller than 0.05 and the positive coefficient value 0.0426. Meanwhile, the relationship between ROA and CSR disclosure is positive and significant with a coefficient value of 0.9811. These results indicate that the firm size variable has an indirect relationship with CSR disclosure. In this relationship ROA plays a full mediator role between the dependent variable SIZE and CSR, because SIZE can only affect CSR through ROA, then the results of this study prove the hypothesis H_8 is accepted, namely financial performance (ROA) can mediate the relationship between firm size (size) and CSR disclosure. The size of the company with large assets will generate high profits, the higher the profit it can motivate the company to further expand CSR disclosure. However, the size of the company does not directly affect CSR disclosure.

9. **The effect of leverage on CSR disclosure with financial performance (ROA) as an intervening variable**

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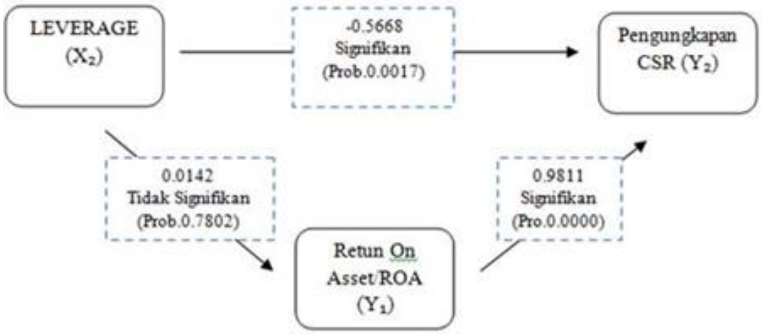
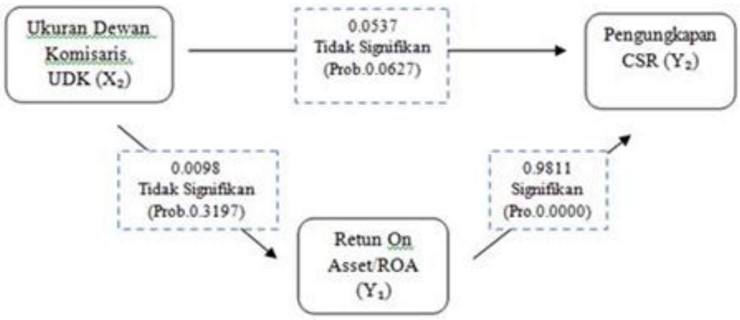


Figure 3. Relationship between leverage, return on assets and CSR disclosure

The results of this study indicate that leverage has a direct relationship with CSR disclosure, it can be seen from the results of the t test the value of prob.0.0017 is smaller than 0.05, which means H_5 is accepted and H_0 is rejected. The direction of the relationship is negative with a coefficient value of -0.5668 which means that if the debt increases, the CSR disclosure will be smaller. Leverage does not have an indirect relationship or in this relationship the hypothesis H_9 is rejected, meaning that ROA cannot mediate the relationship between leverage and CSR. This is because leverage does not significantly affect ROA so that the higher the debt will not increase the company's profitability, on the contrary, the higher the debt will motivate the company to minimize CSR.

10. **The effect of the size of the board of commissioners (UDK) on CSR disclosure with financial performance (ROA) as an intervening variable**

Figure 4. The relationship between the size of the board of commissioners, return on assets and CSR disclosure



The results showed that the dependent variable of the size of the board of commissioners did not have a direct or indirect relationship with the independent variable of CSR disclosure. The relationship between UDK and CSR is not significant because the results of the partial t test have a probability value greater than 0.05, namely 0.0627 and a positive coefficient value of 0.0537. The relationship between UDK and ROA is also not significant because the results of the partial t test show a probability value greater than 0.05, namely 0.3197 with a coefficient value of 0.0098. , the relationship between ROA and CSR is

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significantly positive, it can be seen that the partial t test results are 0.000, which is smaller than 0.005 with a coefficient of 0.9811. In this connection the hypothesis H_{10} is rejected, meaning that ROA cannot mediate the relationship between the variable size of the board of commissioners and the dependent variable of CSR disclosure.

IV. CONCLUSIONS AND RECOMMENDATIONS

CONCLUSION

The results show that in the structural regression equation I, the independent variable firm size affects financial performance (ROA) positively and significantly, while other independent variables such as leverage and the size of the board of commissioners have no significant effect on ROA. In the structural regression equation II, the independent variable leverage has a negative and significant effect on CSR disclosure, the ROA variable has a positive and significant effect on CSR disclosure, meanwhile the size of the company and the size of the board of commissioners have no effect on CSR disclosure. The intervening ROA variable can fully mediate the relationship between firm size and CSR disclosure. ROA cannot mediate the relationship between the independent variable leverage with the dependent variable CSR disclosure and leverage can affect CSR disclosure directly. The intervening ROA variable cannot mediate the relationship between the variable size of the board of commissioners and CSR disclosure.

SUGGESTION

The suggestions that can be given for further research are as follows:

1. Future research is expected to use research samples that are not only from the mining sector but also include other industrial sectors listed on the Indonesia Stock Exchange (IDX) in order to represent CSR disclosure in all existing industrial sectors, with the variables to be studied.
2. Future research is expected to add other variables that are thought to affect CSR disclosure, such as earnings management and the board of directors. The board of directors as a manager within the company has the authority to carry out social and environmental activities so that the extent of CSR disclosure will be higher.

The suggestions that can be given to companies are:

1. Firm size has a positive and significant effect on financial performance (ROA), ROA has a positive and significant effect on CSR disclosure, while firm size has no effect on CSR. ROA as a full mediator. The results of the study show that increasing company size has a positive effect on improving financial

performance, so it can be said that companies manage assets effectively. Based on the results of this study, mining companies are advised to add assets so that ROA will increase and CSR disclosure will be wider.

2. *Leverage*negative and significant effect on CSR disclosure and leverage does not significantly affect financial performance (ROA). Based on the results of this study, an increase in debt has no effect on increasing company profits, in fact an increase in debt can reduce CSR disclosure. It is suggested that mining companies reduce external debt funding and increase funding from equity because an increase in debt means an increase in the company's risk that the company's financial performance does not significantly increase.
3. The size of the board of commissioners has no effect on increasing financial performance (ROA) and does not significantly affect CSR disclosure. Based on the results of this study, it is recommended that mining companies increase the supervisory function of the board of commissioners instead of increasing the number of commissioners. The focus is not on the number of commissioners, but rather on increasing oversight of the company's performance

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